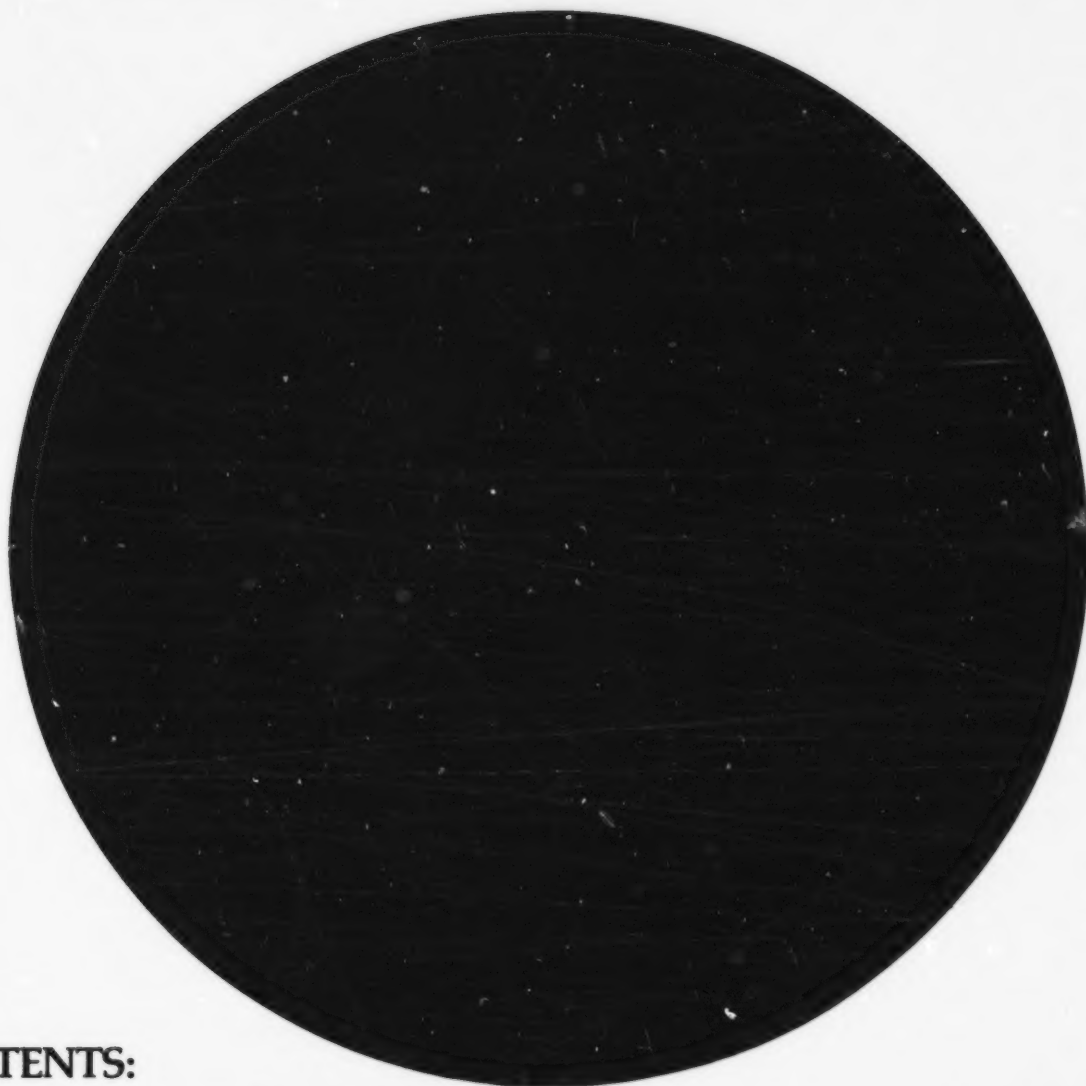


32nd ANNUAL REPORT

MARCH 31st, 1986



ONTARIO FOOD TERMINAL BOARD



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ONTARIO FOOD TERMINAL BOARD

165 The Queensway
Toronto, Ontario
M8Y 1H8

August 28, 1986.

The Honourable Jack Riddell
Minister of Agriculture and Food
Parliament Buildings
Queen's Park
Toronto, Ontario

Dear Sir:

I am pleased to submit the thirty-second annual report of the Ontario Food Terminal Board for the fiscal year ended March 31, 1986.

The financial statements on the following pages show the results of the year under review compared to the previous fiscal year ended March 31, 1985. Operating revenue amounted to \$3,622,242 while expenditures totalled \$3,252,481 providing an operating surplus of \$369,761. This surplus exceeds the budgeted target for 1985/86 by \$55,000 and is \$219,605 higher than the surplus for the previous fiscal year. The net income was \$458,741 compared to \$580,958 in 1985. This decrease is a result of the Ontario Food Terminal Bond issue being fully retired on June 1st of 1985 providing interest for only three months. The newly renovated cold storage handled a total of 127,000 pallets and showed an operating surplus of \$62,385.

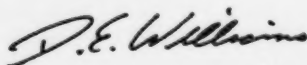
The Board's program to upgrade and refurbish the Terminal continued during the fiscal year. Capital expenditures for the year totalled \$422,000 and included a new 1500 K.V.A. electrical substation, a higher capacity computer system and a complete new lighting system for the open area of the Farmers' Market and the Buyers' Court. Maintenance expenditures totalled \$148,000 and included major maintenance repairs on the Buyers' Court docks, roof renovations and extensive repainting.

The development plans for the future include extended board offices, a limited number of new warehouse units, further buyers loading facilities, a new truck holding area and continued upgrading of the Terminal facility in the form of new paving and an upgraded drainage system.

Overall produce tonnage for the year increased by 6.5% to 743,000 tons. Arrivals of produce by railway car continues to diminish drastically which is more than offset by arrival by tractor trailers and trucks.

The Board looks forward to the continued successful operation of this important wholesale produce facility.

Yours Very Truly,



D.E. Williams,
Chairman of the Board.

Statement of Operations

Year ended March 31, 1986.	1986	1985
REVENUE	\$	\$
Rents	2,247,508	2,073,676
Cold storage	813,654	390,190
Entrance fees	396,703	445,216
Realty taxes recovered	63,959	66,359
Interest earned — sinking fund (note 2)	51,706	310,237
Services	38,693	43,713
Interest income — other	8,170	3,236
Other income	1,849	4,387
	<u>3,622,242</u>	<u>3,337,014</u>
EXPENSES		
Salaries and benefits	1,185,862	1,082,825
Realty and business taxes	665,432	621,933
Depreciation (note 1)	282,462	519,459
Interest expense — demand loans (note 3)	232,215	79,481
Waste removal	156,429	134,332
Repairs and maintenance	148,068	96,786
Electric power	147,736	101,637
Operating supplies and expense	103,809	81,221
Fuel	89,640	109,618
Office expenses	48,261	31,836
Water	32,501	32,264
Interest expense — debentures (note 2)	29,167	175,000
Insurance	28,616	18,932
Board members' fees and expenses	25,205	23,332
Rent expense — Hydro land	23,143	6,169
Legal services	19,234	56,564
Miscellaneous expenses	17,050	2,146
Miscellaneous contract services	15,333	3,938
Bad debts	2,318	9,385
	<u>3,252,481</u>	<u>3,186,858</u>
Operating Income	369,761	150,156
Additional interest income		
Interest earned — sinking fund (note 2)	88,980	430,802
Net income for the year	<u>458,741</u>	<u>580,958</u>

BALANCE SHEET

March 31, 1986

ASSETS

	1986 \$	1985 \$
Current		
Cash and short term deposits	80,072	20,471
Accounts receivable	141,496	143,460
Prepaid expenses	31,946	34,108
Sinking fund (note 2)	—	4,859,314
	<u>253,514</u>	<u>5,057,353</u>
Fixed — at cost, less accumulated depreciation (note 1)	<u>5,902,253</u>	<u>5,782,756</u>
	<u><u>6,155,767</u></u>	<u><u>10,840,109</u></u>

LIABILITIES AND RETAINED EARNINGS

	1986 \$	1985 \$
Current		
Demand loan (note 3)	2,114,737	2,013,000
Accounts payable and accrued liabilities	176,119	170,014
Accrued interest on debentures payable	—	58,333
Deferred revenue (note 4)	123,376	111,824
Holdbacks payable	—	204,144
Debentures due within one year (note 2)	—	5,000,000
	<u>2,414,232</u>	<u>7,557,315</u>
Retained Earnings	<u>3,741,535</u>	<u>3,282,794</u>
	<u><u>6,155,767</u></u>	<u><u>10,840,109</u></u>

Statement of Retained Earnings for the year ended March 31, 1986.

	1986	1985
	\$	\$
Retained earnings, beginning of year	3,282,794	2,701,836
Net income for the year	<u>458,741</u>	<u>580,958</u>
Retained earnings, end of year	<u><u>3,741,535</u></u>	<u><u>3,282,794</u></u>

Statement of Changes in Financial Position for the year ended March 31, 1986.

	1986	1985
	\$	\$
Cash provided by operating activities		
Cash from operations		
Net income for the year	458,741	580,958
Add charges to operations not requiring		
a current cash payment		
— depreciation	282,462	519,459
— loss on sale of fixed assets	<u>20,082</u>	<u>—</u>
	761,285	1,100,417
Net change in non-cash working capital		
balances related to operations	<u>(279,643)</u>	<u>1,279,817</u>
	<u>481,642</u>	<u>2,380,234</u>
Cash used in investing activities		
Acquisition of fixed assets	<u>422,041</u>	<u>2,336,389</u>
Increase in cash during the year	59,601	43,845
Cash position, beginning of year	<u>20,471</u>	<u>(23,374)</u>
Cash position, end of year	<u><u>80,072</u></u>	<u><u>20,471</u></u>

Notes to the Financial Statements

March 31, 1986.

1. FIXED ASSETS AND DEPRECIATION

The objects of the Board include the creation and operation of a Wholesale Fruit and Produce market and the acquisition and operation of facilities for the transportation and handling of fruit and produce. To meet the objects, the Board leases land and buildings to Wholesalers and Growers. All of these leases are classified as operating leases and revenue from these leases is classified as Rents on the Statement of Operations.

Details of fixed assets at March 31, 1986 are as follows:

	1986		1985	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	\$	\$	\$	\$
Land	275,603	—	275,603	—
Land Improvements	1,150,691	1,031,828	1,142,091	990,269
Buildings	6,514,992	3,706,782	6,489,780	3,606,068
Equipment	1,184,346	882,283	1,064,620	833,473
Parking deck and retaining wall	2,328,397	218,074	2,328,397	159,864
Construction in progress	287,191	—	71,939	—
	11,741,220	5,838,967	11,372,430	5,589,674
	<u>(5,838,967)</u>		<u>(5,589,674)</u>	
	<u>5,902,253</u>		<u>5,782,756</u>	

Depreciation on these assets is calculated on a straight-line basis over their estimated useful lives as follows:

	Depreciation Rate
	%
Land Improvements	10.0
Buildings	2.5
Equipment	20.0
Parking deck and retaining wall	2.5

2. INTEREST EARNED — SINKING FUND

Prior to October 23, 1981 the sinking fund was maintained in an interest bearing account with the Treasurer of Ontario. Subsequent to this date, the balance in the fund of \$2,751,247 was used to purchase a bank note paying interest at a rate of 17¼ per cent per annum which matured on June 1, 1985. The proceeds of the note which equalled \$5,000,000 including accumulated interest of \$2,248,753 (1985-\$2,108,067) were used to retire the debentures on June 1, 1985.

It is the Board's practice to classify interest earned in excess of amortization on assets as additional interest income.

3. DEMAND LOAN

The demand loan bears interest at the prime rate and is guaranteed by the Province of Ontario.

4. DEFERRED REVENUE

Deferred revenue results from the prepayment of entrance fees, stall rentals and parking rentals.

5. COMMITMENTS

At March 31, 1986 the Board had commitments for fixed asset additions amounting to approximately \$288,000.

6. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with 1986 presentation.

Ontario Food Terminal Scenes



The Minister of Agriculture, The Honourable Jack Riddell talks to the grower Louis Deli.



A scene at the south end of the Farmers' Market.



An inside view of a wholesale unit.



Flowers and hanging plants in the Farmers' Market.

Ontario Food Terminal Scenes



Angelo Morretti has melons for sale.



Lou Kolonics displays his potatoes.



Looking down the Queensway Row.



A busy day in the Farmers' Market.

TONNAGE

Overall tonnage handled at the Terminal for the fiscal year amounted to 743,000 tons compared to 697,000 tons for the previous year.

	1985/86 (tons)	1984/85 (tons)
Farmers' Market	179,000	174,000
Wholesale Market	<u>564,000</u>	<u>523,000</u>
	743,000	697,000

ARRIVALS OF PRODUCE

Wholesale Market:

Rail Cars	844	1,597
Tractor trailers	20,671	18,018
Other trucks	12,382	10,110

Farmers' Market	42,900	42,000
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BUYERS

The Board has on file the names of 4,019 buyers who attend the market.

Buyers are classified as follows:

Fruit and Vegetable stores	1,760
Corporate and independent chain stores	126
Restaurants	803
Jobbers	310
Institutions	40
Miscellaneous (Meat market, florists, caterers etc.)	<u>980</u>
	4,019

Warehouse Leaseholders

UNITS

SOUTH WING	A	B
1 Dominion Citrus & Drugs Ltd.	102a, 102	
	104, 106	
2 Tomato King Produce Co. Ltd.	108	
3 Hamilton Fruit & Produce Ltd.	110	
4 Italian Produce	112	
5 Rite Pak Produce Co. Ltd.	114, 116	152, 154
	118, 120	
6 Ontario Tree Fruits Ltd.	120a, 122	
7 Stronach & Sons Ltd.	124, 126	
8 Lamantia & Russell Produce Ltd.	128, 130	
9 North American Produce Buyers Ltd.	132	
10 C. Charles & Co. (1973) Ltd.	134	
11 Chiovitti Banana Co. Ltd.	136	156, 158
		160, 162
12 Gamble Robinson Ltd.	138, 140	142, 144
13 Geo. Adamo Produce Ltd.		146
14 Gus Amodeo Produce Ltd.		148
15 Capuccitti, Rocco & Gordon		150
NORTH WING		
16 White and Company, The	101a, 101	
	103	
17 P. Culotta & Co. Ltd.	105, 107	
18 Mitchell Pacific (1985) Co.	109, 111	
19 King & Raphael, Toronto	113	
20 Provincial Fruit Co. Ltd.	115, 117	
	119	
21 F.G. Lister & Co. Ltd.	121a, 121	
	123, 125	
22 Lenson Celery (1975) Ltd.	127, 129	
23 Morris Brown & Sons Ltd.	131	
24 J. Ursino & Company	133	
25 Global Fruit & Produce Co.	135	
26 Canadian Fruit & Produce Co. Inc.	137	
27 Ontario Produce Company	139a, 139	141b, 143
		145, 147
		149, 151
28 Veg Pak Produce Company Ltd.		157, 159
		161b

Note: A-units are selling units fronting on the Buyers' Court
 B-units are auxiliary units flanking the Cold Storage facilities.

Office Leaseholders:

Of the 234 office spaces available at the Ontario Food Terminal, 83 are occupied by lessees of warehouse space.

NAMES OF THE LEASEHOLDERS:

Bank of Montreal
Kroft Investments
Ontario Potato Distributing Inc.
Sunkist Growers Incorporated
M.L. Catania Co. Ltd.
Nevard, Van Benthem & Wakeman
Brokerage Ltd.
B.C. Tree Fruits Limited
Kelly Orchards Ltd.
Ontario Produce Company
Toronto Wholesale Fruit & Produce
Merchants Association
Lenson Celery (1975) Ltd.
B & G Vetere Wholesale Ltd.
Chicago North Western Transportation
Company
Wm. L. Rutherford Ltd.
Darrigo Consolidated Holdings
Lee Brokerage Ltd.
F.G. Lister & Co. Ltd.
Global Fruits & Produce Ltd.
Mutual Brokers (Toronto) Ltd.
Canadian Fruit & Produce Co. Inc.
Mark T. Adamson Co. Ltd.
Dominion Citrus & Drugs Ltd.
Rite-Pak Produce Co. Ltd.
Italian Produce Co. Ltd.
Austin & Masters Ltd.
North American Produce Buyers Ltd.
Gamble Robinson Ltd.
Ontario Fruit and Vegetable Growers
Association
G.A. Love Foods Inc.
Eglinton Fine Food Ltd.
Richard E. Ryan & Associates
Agriculture Canada
Ontario Ministry of Agriculture and Food
Canadian National Railway Co.
Canadian Pacific Ltd.
B & M Brokerage
Canadian Fruit Wholesalers Association
Fielding Brokerage Ltd.
Geo. Deslauriers (1975) Inc.
Bruce Collings Ltd.
Regal Produce Brokerage Central Inc.

Short Term Warehouse Leaseholders:

Kelly Orchards Ltd.
Ben Shoom Ltd.
Lakeshore Fruit (Toronto) Ltd.
Morris Brown & Sons Co. Ltd.
Willowdale Produce Co. Ltd.

The Board and Staff:

The Ontario Food Terminal Board consists of seven members, appointed by the Lieutenant Governor of Ontario, upon recommendation of the Ontario Minister of Agriculture and Food.

The present Board members are:

D.E. Williams, Chairman	Mississauga
B. Blidner, Vice Chairman	Toronto
A. Collins	Woodbridge
K. Collver	Simcoe
L. Deli	Langton
W. Giles	Toronto
J. Melara	Toronto

C.E. Carsley, General Manager

I.B. Nicholas, Secretary Treasurer
Assistant General Manager
T. Chowns, Operations Manager
H. Specht, SGT of Police
R. Osborne, Cold Storage Manager

